



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

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Comptroller

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September 12, 2007

Beverly Howard, Executive Director
Hyde Park Outreach
1428 Salisbury St.
St. Louis, MO 63107

RE: Desk Review of Hyde Park Contract Nos. 06-11-87 (\$12,500 - Document 52480)
and 07-11-87 (\$25,000 - Document# 55613)
(Project #2007-CDA40)

Dear Ms. Howard:

We have conducted a desk review of the Friedens Haus Community Learning and Hyde Park Outreach Programs of Hyde Park Outreach (Agency) for the period January 1, 2006 through May 1, 2007. The scope of the desk review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of the Agency. A desk review does not entail a field visit to the site. Our review included the review of the contracts and inquiries made with the Agency.

Our desk review was completed on June 20, 2007. The objectives of the contract are to provide educational and supportive skills for the neighborhood's "at risk" youths and their families. Management's response to the observation and recommendation noted in the report was received on July 12, 2007 and has been incorporated into this report.

During the review, we observed that the Agency did not meet one of the OMB Circular A-133 compliance requirements as follows:

Agency has an appearance of conflict of interest – Federal regulations prohibit and CDA policy states, "No person shall be employed or contracted with if a member of his or her immediate family is on the Board of Directors." The Treasurer is the husband of the Executive Director of the Agency.

Recommendation – We recommend the Treasurer resign from his position or seek legal opinion from the City Counselor's Office.

Management's Response – *Beverly Howard, a retired principle, assumed the roll [role] of Executive Director of Hyde Park Outreach on an emergent/contingency basis. Previously, both Mrs. Howard and her husband served as members of the board of*

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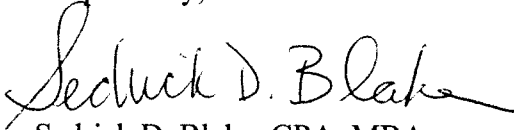
directors. Mr. Howard has been the Treasurer of the organization for several years. We were unaware that Mrs. Howard accepting reimbursement for expenses incurred while in the temporary roll of Executive Director, there was a conflict of interest. Mrs. Howard discussed this conflict in detail with Lorna Alexander and a resolution to the conflict was determined, as follows:

Beverly Howard will no longer receive reimbursement compensation from CDA funds. James Howard has resigned as Treasurer of Hyde Park Outreach. Mrs. Howard will remain in the position of Executive Director while the organization aggressively pursues another, qualified, person to fill this position for the pay rate \$500 per month. It is our intent to comply fully with the guidelines of the CDA contract and will, not create or engage in any activities or procedures that are not in compliance with CDA policies.

This desk review was made under authorization contained in Article XV, Section 2 of the Charter, City of St. Louis, as revised, and conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

If you have any questions, please contact Ishmael Ikpeama at (314) 589-6113.

Respectfully,



Sedrick D. Blake, CPA, MBA
Audit/Fiscal Executive

Cc: Lorna Alexander, Accounting Coordinator, CDA